



United States Copyright Royalty Judges

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In re

**DISTRIBUTION OF SATELLITE ROYALTY
FUNDS**

**DOCKET NO. 14-CRB-0011 SD
(2013)**

ORDER GRANTING MOTION OF PHASE I CLAIMANTS FOR PARTIAL DISTRIBUTION OF 2013 SATELLITE ROYALTY FUNDS

On January 21, 2015, representatives of certain groups of claimants (the Phase I Claimants)¹ to 2013 satellite royalties on deposit with the United States Copyright Office filed with the Copyright Royalty Judges (Judges) a motion for partial distribution of those royalties (Motion). Specifically, the Phase I Claimants seek a distribution of 60% of the 2013 satellite royalties.

On February 11, 2015, the Judges published a *Federal Register* notice in accordance with 17 U.S.C. § 801(b)(3)(C), seeking comment on the requested partial distribution and inquiring as to the existence of any Phase I or Phase II controversies with regard to 2013 satellite royalties.² The Judges received six timely responses: one from National Public Radio, Inc., which did not file a claim for 2013 satellite royalties (and limited its comments to cable royalties), and the others from members of the Phase I Claimants group. The commenters assert that both Phase I and Phase II controversies exist. None stated, however, that the 40% of the 2013 satellite fund that would be withheld under the proposed partial distribution would be insufficient to satisfy any outstanding controversies.

The Judges **GRANT** the Motion for the reasons elaborated below.

Statutory Authorization for Partial Distributions of Funds in Controversy

Section 801(b)(3)(C) of the Copyright Act (Act) provides:

Notwithstanding section 804(b)(8), the Copyright Royalty Judges, at any time after the filing of claims under section 111, 119, or 1007, may, upon motion of one or more of the claimants and after publication in the Federal Register of a request for responses to the motion from interested claimants, make a partial distribution of such fees, if, based upon all responses received during the 30-day period beginning on the date of such publication, the Copyright Royalty Judges conclude that no

¹ The Phase I Claimants are: Program Suppliers, Joint Sports Claimants, Broadcaster Claimants Group, Music Claimants (consisting of American Society of Composers, Authors and Publishers (ASCAP), Broadcast Music, Inc. (BMI) and SESAC, Inc.), and Devotional Claimants.

² 80 Fed. Reg. 7646.

claimant entitled to receive such fees has stated a reasonable objection to the partial distribution, and all such claimants—

- (i) agree to the partial distribution;
- (ii) sign an agreement obligating them to return any excess amounts to the extent necessary to comply with the final determination on the distribution of the fees made under subparagraph (B);
- (iii) file the agreement with the Copyright Royalty Judges; and
- (iv) agree that such funds are available for distribution.

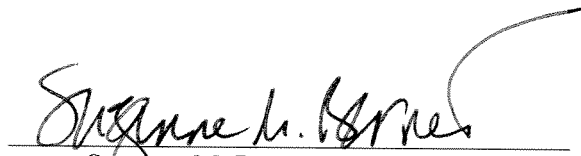
17 U.S.C. § 801(b)(3)(C).

The proposed partial distribution to the Phase I Claimants is unopposed. The Phase I Claimants represent that they are willing to sign a disgorgement or repayment agreement and file it with the Judges. *Motion* at 2-3. Therefore, the Judges determine that distribution of 60% of the 2013 satellite royalty funds to the Phase I Claimants is reasonable and appropriate and hereby **GRANT** the Motion.

The Judges **ORDER** that 60% of the royalties held in the 2013 satellite fund be distributed in the manner set forth in the Motion, *i.e.*, to the Office of the Commissioner of Baseball as common agent for the Phase I Claimants to be distributed in the manner set forth in the confidential distribution agreement reached between the Phase I Claimants. *See Motion* at 5.

The Copyright Office shall make such distribution **PROVIDED THAT** each of the parties receiving a share of these funds provides to the Copyright Office a signed Repayment Agreement prepared by the Copyright Royalty Board stating that the recipient shall repay to the Copyright Office any overpayment that results from distribution of these funds, together with interest according to the amount that would have accrued if the principal had remained in the fund. All recipients must provide all pertinent information to effect the transfer of funds to the Licensing Division of the Copyright Office no later than June 11, 2015. The distribution shall take place on or after June 18, 2015.

SO ORDERED.


Suzanne M. Barnett
Chief Copyright Royalty Judge

Dated: May 28, 2015